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ABSTRACT

A guide to managing employee terminations and resulting changes is presented for administrators. Three reasons for termination that are legitimate, nondiscriminatory, and acceptable in today's marketplace and courts are: cause (serious misconduct, dishonesty, unethical, or dangerous behavior); job elimination (reduction in force, economic conditions, retrenchment, merger, or shutdown); and poor performance (incompetence, missing key goals, and causing problems with others that drag down total performance of the unit). What to document when terminating an employee and the concept of outplacement (reemployment assistance) are addressed. In addition to considering a proposed severance package for a terminated employee, costs of carrying an unproductive or troublesome employee before termination are noted, and advice is provided on avoiding complications after termination. Suggestions are offered concerning various aspects of termination, including the planning stage, convincing senior management and boards, communicating with colleagues and staff, and group terminations. Appendices include: an internal memo concerning reorganization and cutbacks, a termination checklist, a sample termination letter, and a statement of reference/rationale. (SW)

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good endings: managing employee terminations

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ROBERT A. FINNIE, JR.
AND
PAUL B. SNIFFIN

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About the Cover: The Chinese word for "crisis" combines two figures: the first signifies "danger" and the second signifies "opportunity". The authors maintain that, managed effectively and with a positive attitude, the crises of terminations can become opportunities.

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Stephen S. Miller, Executive Director
Wanda F. Ross, Assistant Executive Director
Carin L. Luke, Managing Editor

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COLLEGE AND UNIVERSITY PERSONNEL ASSOCIATION
11 Dupont Circle, Suite 120, Washington, DC 20036
(202) 462-1038

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By Robert A. Finnie, Jr. and Paul B. Sniffin
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ABOUT THE AUTHORS

Robert A. Finnie, Jr. is President of Finnie & Associates, Inc., a Springfield, Virginia consulting firm concentrating in outplacement and reemployment. He received his Bachelor of Arts degree in English from Bates College. He spent 13 years in the aerospace industry, first as Engineering Writer at Cape Canaveral, and later as Project Manager for manufacturing, quality, and deliverable software for Avco, RAD. After building his own marketing business and retiring, Finnie discovered career and reemployment counseling in 1973. Concentrating on the placement aspects of the profession, he has become a top counselor and innovator in two large career counseling and outplacement firms, and is again building a private practice. He pioneered Baltimore's RENEW, a volunteer job search project for difficult populations. Finnie is listed in the 1972 edition of *Outstanding Young Men of America.*

Paul B. Sniffin is President of New Options Group, Inc., a Fairfax, Virginia consulting firm specializing in outplacement and reemployment. He has served as Executive Vice-President for a major career counseling firm, becoming their leading placement specialist and founder of their Outplacement Division. He also was a top counselor for a national outplacement firm, establishing and managing their Washington, DC office. A former U.S.M.C. combat veteran, helicopter pilot, and captain, Sniffin earned a B.S. degree in Business from Bethany College. He has served as a marketing executive with the U.S. Chamber of Commerce and Muzak Corporation, before establishing his own national marketing enterprise. Sniffin is an author, lecturer, and noted expert on terminations and career transitions.

1. PERSPECTIVE

From an employer's perspective, the subject of employee termination has never been a popular one. In today's difficult economic climate, it is an even more critical and potentially ugly experience for decision-makers. Its impact on the individuals involved and on remaining staff members who wonder when their time might come is also greater. Most employers avoid termination until well into the eleventh hour. This approach seldom, if ever, enables the terminating team to address the sensitive and risk-bearing facets of the process carefully. Unfortunately, little is available in professional literature and objective, no-nonsense seminars and workshops on the subject of termination are rare.

The many options and hurdles employers and employees encounter in dealing with terminations and the ensuing transition include:

- Termination as a continuum as opposed to an event.
- Applicable laws, regulations, current trends.
- Why it may be best for all involved to make the decision and move forward.
- The tangible and hidden costs of termination.
- The structure of the severance package.
- Human factors -- the trauma of firing and of being fired.
- Methods for conducting a successful, professional termination.
- The need to call in co-workers.
- Reemployment assistance -- assets and liabilities.
- The importance of terminators' attitudes and approaches in producing desired results.

Perhaps most important to those who have had to discharge, fire, layoff, RIF, or terminate an employee is the human factor. Firing someone does not have to be as awkward and devastating as it so often is. In fact, if intelligently conceived and professionally managed, the events leading up to, through, and after an individual or group termination can be characterized as well done. That is what this guide is about: understanding and managing the dynamics of change.

An understanding of the phenomena and choices discussed in this monograph will not guarantee an optimum termination policy or individual experience. It can, however, help the decision-makers and implementors minimize the trauma and liability involved. In doing so, they can enhance individual and organizational potential for turning a crisis into an opportunity.

TERMINATION AS A FACT OF LIFE

The average worker in America changes jobs every 3.6 years. That means nearly 28 million of us change jobs every year -- some voluntarily, others not. If we include internal transfers, upgrades, promotions, and demotions, the numbers become enormous. We are a dynamic work force and termination and reemployment are predictable phenonena. The days of 40-years-and-a-gold-watch are gone.

Since many of the changes are initiated by the employer, directly, or indirectly, those who have executive, management, or supervisory responsibilities can expect to be firing somebody sooner or later, perhaps even often. Our aim is to execute that fact of life in the most intelligent and painless fashion possible. Termination is a management function and deserves to be handled professionally.

THE APPROACH: CREATIVELY MANAGING THE DYNAMICS OF CHANGE

Since change is inevitable, we must learn to expect it, even encourage it, and treat it positively. In the same way that process and content are important to a successful educational experience, attitudes may be even more important than the strategies and techniques discussed in this guide.

2. WHO GETS FIRED? WHY? AND HOW?

THE REAL REASONS

"Chemistry" and "politics" still rank as the main reasons for termination, as cited by many executives, managers and professionals. Some examples of these reasons are:

- "a hard worker, but doesn't get the main things done on time."
- "talks too much (or too little) at meetings and negotiations."
- "negative attitude" or "unrealistically optimistic"
- "good with staff, but really turns off our executives and some of our clients."
- "not a team player", "uses poor judgement", "not decisive enough", "shoots from the hip"
- "hasn't pulled decent weight for years", "the world-owes-me-a-living type"
- "a good human being, but can't adapt to our current thrust."

WHAT IS THE LAW?

The Common Law has traditionally been harsh regarding employees. In the absence of explicit contract provisions to the contrary, every employment is at will and either the employer or the worker is free to terminate it at any time without notice or reason. As one court ruling declared, an employer may discharge an employee at any time "for good cause, for no cause, or even for cause morally wrong."[1]

In 1976 and 1977, however, two landmark court rulings changed the way the harsh common law is applied, and many other rulings have followed. One ruling concluded that if the way someone is fired is so outrageous as to indicate either intentional or willfully negligent infliction of emotional distress, the individual can recover damages even if there was no physical harm (*Agis* vs. *Howard Johnson*).[2] Another court found that even where a contract exists stipulating an "at will" relationship, a requirement for "good faith" is implied and the employer's right to fire employees at will are limited.[3]

These factors, coupled with a growing sense of employment rights, anti-discrimination statutes, and an increasingly litigious society have produced an estimated tenfold increase in lawsuits against employers over the past few years. Many fired employees are winning big settlements. Accordingly, sound counsel to managers today is, "Learn how to discharge someone legally and decently". Otherwise, termination may become an expensive and unpleasant experience for you and your organization, as well as the departing individual.

THREE VALID REASONS

Only three reasons for termination are legitimate, nondiscriminatory, and acceptable in today's marketplace and courts:

- Cause -- serious misconduct, dishonesty, unethical or dangerous behavior
- Job Elimination -- RIF, economic conditions, retrenchment, merger, shutdown
- Poor Performance -- incompetence, missing key goals, causing problems with others that drag down total performance of the unit.

Chemistry, politics, and attitudes may be the real reasons for terminating one individual instead of another, but current good practice dictates a more measured and documented posture.

Documentation is essential. Whatever your reason for terminating, minimize your risk by showing written evidence of:

1. specific performance standards;

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[1] *Harvard Business Review Reprint Number 80111.* (Boston: Harvard Business Review, January-February 1980).

[2] *Agis* vs. *Howard Johnson Co.*, 371 Mass. 140, 355 N.E. 2d 515 (1976).

[3] *Fortune* vs. *National Cash Register Co.*, 373 Mass. 96, 364 N.E. 2d 1,251 (1977).

2. measurement against the standards;

3. opportunities and deadlines for improvement and/or appeal;

4. communication of above over time;

5. a demonstrated failure to meet standards; and

6. a change in direction necessary for the future of the organization.

Many performance evaluations are filled with euphemisms or a damning by faint praise. In fact, individuals are sometimes spared termination notice until their next raise is in effect. That gesture, aimed at making the employee appear more valuable in the next environment, may turn into an indefensible position and an overturned decision for the organization.

If "job elimination" is the reason for discharge, you need to document the cause, plan your action, and establish your rationale for selecting the particular individual for discharge. If your organization has job descriptions or position slots, be sure the slot is out of your organization for at least a year.

Pay attention also to the employee's positive side. Even if "serious cause" is the reason for discharge, remember that you need not go beyond a reasonable documentation of the organization's position and your own. Be sure to include some positive attributes in the reports. They not only strengthen the legal and professional framework within which you are operating, but may contribute to a more constructive interface with the discharged employee as time goes on. Remember, if your rationale for discharge is understood and accepted by the individual, your risk level drops appreciably.

"NEW–OPS", A STATE–OF–THE–ART NEW OPTION

It is possible to have the employee take the initiative to leave, helping to minimize confrontation.

If you have access to a strong, reliable reemployment process, you might consider new employment with outplacement support (NEW-OPS). Arrangements are similar to those for discharge for cause, job elimination, or poor performance, but NEW-OPS may allow you to respond to major dynamics more quickly.

The NEW-OPS process involves several steps. First, notify the individual that decisions are final, and there are no internal options for continued employment. Point out that telling the individual now allows him or her 100 percent freedom to search elsewhere while current income and benefits continue. Provide reemployment assistance plus financial incentives to find something better while keeping a professional relationship with the organization. Nobody but the employee and senior management should know about the arrangement. Cooperate on the timing and consent of all announcements. Have the employee talk with a reemployment advisor before making a final decision.

NEW-OPS produces a more predictable and positive response than asking for a resignation. NEW-OPS has also been applied to help thin the ranks on a voluntary basis while offering individuals a better option than an uncertain future, a holding action of several months or years until retirement, or an undesirable relocation. In addition, it precludes the need to set someone up for firing over a period of months or years, an especially onerous process.

WHAT IF SOMEONE SUES ANYWAY?

Despite the increasing prominence of job discrimination law suits, the courts are generally a poor choice for the terminated individual, for several reasons. Court suits take a long time, as long as several years. Victory in court may mean a battle won, but a career lost. The emotional and time investment by the individual are consuming. Few employers want to hire someone who has sued employers in the past, and may do so again in the future.

3. TERMINATION COSTS

People who have little experience with terminations tend to think in terms of the severance package, outplacement assistance, and possibly legal fees as the only major cost elements in the termination equation. Actually, these expenses may represent only the tip of the iceberg. Consider the cost of the following elements.

BEFORE TERMINATION

You may be carrying an unproductive or troublesome individual for excessive months before the decision is made, sold to senior management, and announced. The general morale factor declines when everybody knows something is going to

happen and there is much speculation on who, when, and why. In the absence of decisiveness and communication, your best (and most employable) people may take the initiative to find a new job and quit. Some senior individual may resolve the problem by putting the individual on special assignment. None of the above do anything positive for your own reputation or state of mind.

AFTER TERMINATION

Except in the case of strong, independent individuals and those well-prepared to find a comparable or better job, the following reactions may be common.

The individual and/or spouse and friends may speak badly of the organization and you (among others). Some "friendly and concerned" lawyer may become interested. Friends of the individual may call, under the guise of being potential employers. A helpful employee may expose the organization to embarassment or serious litigation.

If you provide office space and administrative support, the terminated individual may create a residence there and develop a dependency relationship with you and your staff.

Your remaining employees may develop negative or suspicious reactions and worry about who is next, with a resulting loss in morale. One or two of your best people may jump to a new organization.

The whole situation can become exceptionally negative and counter-productive. Recruiting for key new people may suffer if word gets around. If you are self-insured or experienced-rated, the cost is high to pay unemployment benefits for the maximum period. Someone internally may succumb to pressure and agree to put the individual in their organization, and you're back to square one.

You may avoid serious complications in all of the above areas, but the issue here is not how many problems you can avoid, but one of control. Terminate cleanly, provide transition assistance, a "bridge", and security (for a time), get the individual off your premises and your conscience, and get on with the rest of your world while they do the same.

SEVERANCE

According to people who have paid it, this investment eases the pain in making the decision to fire. It is a way to buy off trouble, as well as a good will gesture. Severance serves as a reward to leave early and quietly, and can be motivated by a genuine effort to be helpful to an individual who has personal value and has contributed to the organization. It is also a way of doing things right and treating people well.

Viewed with objectivity, severance is a bridging mechanism. It is something that will help the employee bridge the gap of lost income until a new position is found, but not provide an excuse for an extended vacation, or an opportunity to double-dip with unemployment compensation.

What Happens To The Individual?

The authors' experience, as coaches of individuals faced with a job search, has demonstrated that three to five months is the norm for finding a comparable or better job. If it takes longer, inactivity, tough economic or area considerations, or simply bad luck are usually factors. In general, the higher level individuals apply a higher quality of effort, and a shorter time is required to find an excellent position. Even without competent professional help, energetic individuals will find something in six to eight months, providing they know what they are looking for, understand networking into the unpublished job market, and persevere.

An optimum severance package cannot preclude problems. It can however, point in the right direction, serve as a useful and humane bridge, and help most people who really want another job to concentrate on their search and land something worthwhile.

An Optimum Package

Experience with reemployment assistance clearly indicates that people land new jobs when severance ends, plus or minus one month. In other words, when people are near or beyond the end of their financial rope, they almost invariably do whatever is necessary to get a decent job.

Accordingly, the following represents the author's judgement of an optimum severance package for a terminated employee.

- Most motivated individuals find comparable jobs in three to five months. Offer severance for three months with accrued vacation and compensation days adding another two to four weeks.

- Budget, but don't announce, a bridging arrangement of one to three months. Evaluate whether you will provide this when, and if, it becomes important to an individual.

- Offer part or all of remaining severance benefits in a lump sum if they accept a new position before the severance package ends (a 50-50 split if favored).

- Arrange to have other financial benefits, over which you have some control, distributed after reeployment.

- Include protection in vulnerable areas for the individual where it strikes a reasonable balance between helping the individual and excessive cost. (For example, health insurance, tuition assistance, and even a car, parking privileges, credit union, or telephone card are relatively inexpensive for the organization and may mean a great deal to the individual).

- Please note that this is an optimum severance allowance. When developing your package, remember to be consistent in your treatment of all employees. Adhere to your institution's established policies and practices for severance.

4. REEMPLOYMENT ASSISTANCE – IS IT WORTH THE COST?

Until recently, outplacement (or reemployment assistance) was looked upon as a nice gesture, but definitely not a cost-effective move. A brief review of this concept may assist you with its benefits.

Making the decision seems to be the hardest element surrounding termination. Typically we all worry about what's the employee going to do now? What if the employer were to provide reemployment assistance? Will this ease the pain of terminating somebody and will a manager be less likely to resist firing a marginal or non-productive employee? These questions are difficult to answer, but warrant some thinking.

Overwhelmingly, executives have shared with the authors a sense of relief when they can offer something extra, such as outplacement support. Over 70 percent of Fortune's top 1,000 firms provide this support, as do many small, local firms, associations, agencies, and institutions. Both internal and external systems operate successfully. Another approach is to create a partnership between internal and external professionals.

SUCCESSFUL SYSTEMS

The best recommended approach is to:

- decide what has to be done and establish a timetable.

- identify several trustworthy external sources of transition services and information.

- select one or two of these sources for a pilot program with a positive risk reward ratio and look for cooperation with your internal resources.

- fine-tune the process as appropriate.

THE EXTERNAL RESOURCE – GETTING YOUR MONEY'S WORTH

Outplacement, as a business, is rapidly expanding. with this growth comes increased competition, which can be both good and bad for the client. Competition causes better prices and more diversified services, but it also attracts many consultants who are not qualified to provide the needed expertise and advice. As a general rule, the track record of the individuals working with your employees and the commitment of the consulting firm to the speciality of outplacement-reemployment are key ingredients to consider. Many management consulting organizations use it as an extra service, as they deal with accounting, employee search, compensation, or other human resource related areas.

One of the best ways to get an objective evaluation is to plug into your own professional network. Seek opinions from others on their recent experience with outplacement firms. They have nothing to gain or lose by sharing this information with you.

To evaluate an outplacement consulting firm, there are certain criteria to assess.

Track Record -- Look closely at the organization's performance. Previous clients enable you to obtain an outside opinion on the quality of service; length of time in the business; successful job search campaigns, including average length of time before re-employment; and typical client companies and individuals. Find out how much of their effort is devoted to follow-up after the search starts and after the next job is landed.

Qualifications of Staff – Some firms emphasize credentialed staff (e.g. Psychologists); other firms use practitioners, people with a diverse background

of experience in the business world. Quite often they come from the senior ranks of corporations or from personnel-related fields. The most important element, however, is the hands-on experience and results the staff actually has in outplacement. What have they actually done in the real world of reemployment?

Communications – Require regular progress reports during the entire process. Monthly reports should be sufficient, provided that significant events are reported at once.

Follow-up and Support – Continued follow-up with the employee and spouse is critical to the success of job search campaigns. Most firms will offer follow-up until reemployment ... others will continue beyond the point of reemployment.

Administrative support to the candidate is another element to consider. It should include the typing of letters, message center, office space, research materials, and the development, writing, and printing of resumes. Make sure these elements are clearly defined and understood and included in the basic fee. Unless the individual being terminated is an excellent letter writer and typist, this kind of support is essential.

Group terminations – Individual attention is critical to any outplacement process. Regardless of the numbers involved and the length of advance notification, when the word is passed, the individual deserves privacy, sensitivity, and enough time with supporting counsel to overcome trauma and begin refocusing on the future.

Be wary of situations where people are herded into an auditorium for a lecture and with few or no individual sessions.

Cost – Obviously cost is always a factor, but "cheaper" is not necessarily "better". Most outplacement consulting firms charge 10 to 20 percent of the individual's annual compensation, with some firms charging extra for additional expenses. For many situations, a combination of individual and group work is a good choice. The quality of the program, however, has more to do with the quality, experience, commitment and motivation of the practitioners (and their level of follow-up) than any other single factor. The costs should relate to the degree to which individual attention is given to candidates.

5. WHAT TO DO

BEFORE THE TERMINATION

Planning is essential. Initially, a Termination Team should be developed including the departing individual's immediate supervisor, that person's supervisor, the responsible personnel administrator, the most senior level individual in the organization, or most respected representative, and an outplacement consultant if appropriate.

The following discussion is based on an assumption that a member of the Personnel Office will serve as "Consultant", providing liaison between the employer and the individual. After a decision to terminate has been made, a meeting of the Termination Team is held to develop specific guidelines on how to conduct the termination interview. Topics to be discussed include: assistance to be provided after termination, continuance of employee benefits, and background information on the person being fired, including special factors such as family or health problems, or other conditions that dismissal could aggravate.

Arranging for the best possible references (under the circumstances), avoiding conflicts in stories, developing a brief, well-planned termination interview, and minimizing the impact within the organization are inconspicuous, but essential, elements of the termination process.

Planning the Termination

The consultant or personnel officer should plan to meet the individual right after the termination conference. This gives the employee the opportunity to vent feelings and also to have a third party professionally guide their thinking toward the solution, instead of the problem. At this session, the next steps in the process are explained and the individual becomes involved in a structured process that directs energies in a constructive manner.

Whatever you decide about your approach to firing, make sure, before you present it to senior management, that it will satisfy their needs as well as yours. Be confident that you have minimized your institutional risks.

The Problems

RIF, firing, or termination is hardly the favorite arena of most decision-makers. Moreover, most of the decisions do not originate in the Personnel Office but are delegated there by individuals who want to avoid the matter. Personnel administrators are often saddled with this unwelcome burden. It sometimes becomes a situation where at

least one individual, possibly many, are incensed at the Personnel Office. The ingredients exist for an explosive and potentially ugly experience.

Take the initiative to understand and appreciate that the goals, agendas, and needs of your institution will ultimately dictate the way the termination proceeds. Communicate, in writing as well as verbally, what your goals, concerns, and approaches are. Build a consensus. Follow-up personally; take every bit of responsibility for documenting the evolution of the concept and final approach. Remember that you are the professional. If you present ideas without ultimata, and with reason, the chances of their being accepted are better than if you wait for somebody else further from the core of the issue to conduct the process.

Convincing Senior Management and Boards

Using a positive, concise, and well-conceived letter, document your approach. With the potential volatility of terminations, the sensitive documentation of philosophies, attitudes, goals, procedures, and timing is essential. The following four-step communication sequence is suggested.

1. Write the other decision-makers and explain the situation. State when you will call to set up a meeting. A written communication demonstrates the seriousness of the situation. Write down ideas and goals, but no ultimata.

2. Call the key people involved and set up the meeting. Many people say the statement of a specific date for your follow-up is too pushy or presumptuous. Experience clearly shows that most people with whom you communicate, and from whom you hope to hear, will not respond otherwise. Whether their response is non-committal, hostile, or positively enthusiastic, you've achieved your objective; now set up the meeting.

3. Meet with the other decision-makers to express your ideas and listen to theirs. Send everybody an agenda, and a statement of what you want to accomplish at the meeting. If one individual's potentially negative responses will make the meeting a risky venture, try to find a few areas of minor agreement with him or her, then get a good understanding of the major area of disagreement. Announce at the meeting that this area is a sticky point (if he or she agrees that it should be mentioned.) But agree before the meeting is conducted on areas of agreement, disagreement, and somewhere between the two.

4. Send follow-up notes documenting the meeting results and describing your follow-up intentions. The follow-up note is almost as important as the face-to-face meeting in the communication-action process required to get things done. Make sure everybody you've talked with gets a clear, thorough memorandum regarding your perception of the discussion, areas of agreement/disagreement, and action.

Communicating with Colleagues and Staff

Unless staff members have a major input to or impact on a situation, tell them only when the time is right for you. Have your approach and responses thought out ahead of time in the event that other staff learn inadvertently. Most important, only bring those people into the decision-making process that have a vested interest in the results you and senior management are trying to achieve. Bringing in other people will only cloud the issue. A letter can be used to build consensus before the decisions are reached (Appendix A shows a sample letter).

After the decision, don't let the institutional grapevine get the information to that employee before you do. The following approach is recommended.

1. Tell the employee. Make it short, humane, and final. Move the employee into the transition process right away, preferably off the premises.

2. Have a brief meeting with all affected staff. Explain what has happened, and what you expect them to do.

3. Help ease their concerns, but emphasize that the employee will be fine, perhaps even better off.

4. Let them know that you will be available for off-the-record talks if they are overly concerned or angry, and suggest that they contact you privately later on.

5. "Meanwhile, we have a lot of work to do ... so let's get on with it!"

In summary, selling the decision means simply: (1) understanding options and goals/objectives; (2) writing your approach to other decision-makers and key people; (3) meeting with them; (4) following up in writing; and (5) repeating the process until you get the best possible result.

Timing and confidentiality are critical. Keep everything fluid until you absolutely have to make the decision. Talk in terms of "options," "possibilities," and "variables in the equation." Some people will want endless details about "what if?" The best response is to say that the decision does not have to be made yet, and to present the worst, most likely, and best case potentials.

What, If Anything, Do We Tell Outsiders?

If a prestigious individual is involved, it's best to plan, write, and receive his or her approval of a press release before the outside world is apprised of the decision. Other than that, keep the matter confidential. Be prepared, however, to present both an honest and face-saving statement to indicate that the individual has no cloud on his or her character, and something positive, or at worst neutral to explain why the employee is no longer at the desk and phone he or she occupied for so long (Appendix F is a sample reference statement).

The following are two examples of such explanations:

1. "Ms. Rhodes has served us well in a wide variety of operational areas. Reorganization and economic trends contribute to a limited growth potential for her in this organization, however, at least for the foreseeable future. Accordingly, she is exploring external options worthy of her energy level and professional strength with the full knowledge of Senior Management. We'll miss her and are confident she will be a strong contributor to whatever organization she chooses to join."

2. "Mr. Richards is not in the office right now. If it's University business you're calling about, Chris Arnett is taking his calls. If you need to talk to Mr. Richards personally, I can give you a number where he can be reached."

Most of us know that outsiders must be treated cordially, but not necessarily provided with privileged or confidential information. We will probably know legitimate employers personally. But the investigative reporter, neighbor, friend, or lawyer need not be indulged.

If there is a troubled transition, with possible litigation, and people from outside call for information about an employee, proceed as follows:

- "I can tell you that _____ worked for us from _____ to _____, and had a final title of _____."
- "If you want additional information, I'll have to ask you to write us at the following address. I'll send you a release, which you can have _____ sign, authorizing us to release the specific information you request."

If the terminated individual remains hostile and someone calls from outside requesting information, simply state (if it is true) that "the personnel file has been taken to our Legal Counsel for disposition. Any information will have to come from them."

Group Terminations

Everything discussed in this guide applies equally well to individual or group discharges, but there are some major differences in dealing with groups. In general, group discharges require more time and planning, as well as careful attention to an even-handed approach. Extra care should be taken in controlling the formal and informal communication process. More people are involved in group discharges, including more remaining staff, more secretaries, more supervisors, etc., and the need for individual attention, privacy, and dignity is more critical. Because of the total number of people involved in a group discharge, the authors have found that this is not a productive arena for gaining experience in outplacement-reemployment practice.

THE TERMINATION ITSELF

Although "meetings are not for surprises", discharging may be a notable exception. Where communication and good personnel exists in an organization, this may not be true. You must, however, convey the message in a way that is brief, humane, and final.

While no one can guarantee the success of an action involving anything as traumatic as a firing, all of the approaches identified below have worked well in individual and group terminations. The reasons are twofold: the approaches are logical and sensitive, and are brief, humane, and final.

Who?

Few people volunteer for the onerous task of firing someone. If they do, they probably should not be selected because their attitude might come across as punitive. A supervisor who fears a physical or emotional response to delivering a termination announcement should also be excused. As a general rule, the immediate supervisor of the individual should bring the news, in a private, one-on-one setting. Bringing a team of senior-level

people into play carries a gang-up connotation that is undesirable.

If the individual has been placed under a new supervisor and is now once-removed from an old friend with whom he or she has a long-term relationship, it may be advantageous to have the more senior old friend bring the news. Once the individual is formally discharged, he or she should next be talking to whomever is managing the transition, be it a personnel officer or outplacement consultant.

This is not a time for more meetings with anybody. Get the message across, get the individual off the premises, and let everybody go their separate ways.

What?

The "sandwich" concept of good news, bad news, good news is a valid and useful approach. The following example demonstrates this concept.

"You've been a valuable employee, loyal, honest and well-liked by just about everybody around here, including me, but, as you know, we're struggling and have to make some staff reductions. I'm sorry to have to tell you that you are one of them. We've looked at the possibility of internal transfers, and unfortunately, that is simply not an option at this point.

"Rather than give you notice and keep you around without any hope for a change of decision or possibility for transfer, we've decided to give you severance pay and company benefits for _____ weeks/months, or until you find a new job, if that is sooner. We've put all of this in writing for you (hand the employee a copy) and we want you to know that we'll cooperate in any way we can, give you good references, and try to make this transition as easy on you as we can." (If appropriate) "We have arranged for reemployment assistance for you and your advisor/agent is in the next office.

"To save you the embarassment of cleaning out your desk, in front of your staff, you can arrange a time with the Personnel Office, or me, if you prefer, after hours and we'll do it privately. Meanwhile, may I please have your keys? Are there any emergencies pending in your work that I don't know about?"

When?

The traditional Friday afternoon firing is inappropriate; a Monday morning or Tuesday morning notification is preferred. It works better for the organization and the individual.

Where?

A neutral office is usually the most effective place to conduct the event of termination.

Why?

Virtually everybody in an involuntary termination has insight into the real reason of their fall from favor. In most cases, they have a hard time accepting that the reasons were sufficient to outweigh their earlier contributions to the organization.

For this reason, clearly and unequivocally inform the employee that, while you are empathic to their situation and needs:

1. the reasons are sufficient,

2. there isn't any appeal, it is final (unless there is a personnel policy that allows for such), and

3. they may be better off leaving now and devoting full-time to finding another job, rather than remaining at work for a few months knowing that the end was near.

Make sure your reasons meet all the criteria described on pages 2 and 3 of this guide. Develop a way to present the information that is both honest and considerate.

How?

Be brief, humane, and final. Ten minutes is more than enough time to get the message across and start the transition. A proper attitude is of immense value. When terminating an employee, get your own needs out of the way and concentrate on the needs of the other person. Otherwise, you will make a mess of the situation and will likely damage yourself and the individual with whom you are dealing.

Be positive, calming, and decisive. The words you say will be colored by the attitude you project. Show consideration and thoughtfulness, but make sure the finality of your message is clear.

Write it down beforehand. Some or all of what you say will never be heard. To ease your own uncertainty and enhance communication, give the terminated employee a copy of the letter and briefly go over the points with him or her. (A

termination check-list and sample letter are provided in Appendices B and C to guide your planning.)

Again, Be Prepared

Make sure the severance package and benefits are detailed in writing. Be prepared for anything within the spectrum of human emotions -- shock, tears, hostility, even relief. Your attitude toward and interest in the individual can contribute greatly to the success of the interview ... benefiting both of you. Refrain from advising the terminated employee on what to do with the separation benefits; discuss only what the options are. Make sure the individual knows that the decision is final.

Make the best of things as they are. After listening to the answer of your first question "How do you feel? Make the comment "We can't re-write history here, but we can tie some loose ends together before you go home. By the way, how will you be going home?" You may learn that he or she came in a carpool with three neighbors, none of whom he or she wants to see. Call him or her a cab and notify the carpool, while he or she is there.

Decisions are final. A substantial number of people will refuse to believe the decision is final, that it is really happening to them, and that there is no court of higher appeal. You do the employee no favor by implying there is any ray of hope for them to find a transfer or gain reinstatement. Anticipate the reaction of the employee and the spouse's, and let them know the decision is final.

Help the employee build a bridge to re-employment. Rather than providing advice about how to find a job, emphasize truthful statements that may help to lessen the shock of the experience and start moving the employee toward the next step. The terminated individual is going to be on payroll for a limited time, so he or she is not technically "unemployed". Point out that if the individual has not found another job before the severance package runs out, then the institution will cooperate to make sure he or she gets full unemployment benefits to which he or she is entitled.

Offer the individual the option of saying that he or she was faced with a cutback several months from now, and decided to accept an option of taking 100 percent free time to look now. Most terminated people make many mistakes within the first couple of days, calling people they know and letting them know they're available, etc. Tell the individual that reemployment experts advise that for those first 48 hours he or she is better off to:

1. look objectively at what he or she can do well and likes to do,

2. start putting evidence of that on a piece of paper, and

3. make a list of people whose opinions he or she respects to start building a support network.

The process of reemployment requires: (1) a focus on viable options, a concise resume, and an understanding of the unpublished job market and how to deal with it; (2) an understanding of how to get interviews, handle them, and follow-up properly; (3) support in getting letters and follow-up notes typed; and sufficient positive reinforcement and knowledgeable advice during the job search campaign to sustain an individual through several dozen resource, information, and job interviews.

Unless your organization, and you personally, are trained, highly motivated and functionally responsible for reemployment process, you may choose to use an external resource. Even if you meet the above criteria, any work with the individuals should be done at a different place than where they worked. Your terminated employee and you are better served when their outlook is away from your organization instead of back to it.

Even your willingness to provide typing support at your facility, easily offered, inexpensive, and seemingly generous, can be more of a barrier than a help to speedy reemployment. Terminated employees will hesitate to have private things typed, either because they are suspicious of who will find out, or because they do not want to show dependence on the former employer. Consequently, they do not follow-up on possibilities, fail to get interviews, and run weaker, longer job search campaigns.

To those of us who deal with terminations and reemployment every day, the message is clear: until the individual understands that he or she is ultimately responsible for the success or failure of the job search, there is little chance of success. Your role, and the role of any professional with whom you are working to provide a reemployment bridge, is to outline options, programs, and responsibilities, coupled with a positive attitude and empathy. Do not create any kind of a dependency relationship.

Questions and Answers

If you have covered all of the areas listed previously, you should be ready for a handshake and

"Best Wishes" closure to a relatively brief meeting (10 to 20 minutes). No matter how painstakingly you prepare for a meeting, however, and no matter how professional your approach, you're going to get some questions and a few surprises.

In dealing with them, keep it simple, and keep to your agenda. Don't make any promises, or imply any you can't keep. Write down anything you can't answer easily and positively. Say you'll get back to the individual and make sure you do it, in writing, within a couple of days.

If the individual is asking the same questions over and over, dealing with strong feelings and obviously not relating to any of the rational aspects of the situation, say, "I don't think you and I can resolve these things today, do you?" If the answer is "yes", write down the comments and concerns, say you'll take them to the people involved, and end the meeting. If the answer is "no", tell the individual you'll be happy to interface with the people involved on his or her behalf, but "I need you to put your thoughts and concerns on paper to me. I'll keep things confidential." Then end the meeting.

The following guidelines summarize how to conduct the termination interview:

- Get to the point.
- Describe the reason for the decision, but be brief. Do not elaborate overlong to justify your reasons or to ease your conscience.
- Be empathetic, but not sympathetic. Encourage the individual to express his or her feelings; ask questions and listen to the responses.
- Discuss administrative details. Have a letter ready that outlines information for the individual.
- Tell the individual what to do next.

THE AFTERMATH

If all goes well, there will have been a smooth transition, with minimal trauma and disruption. The terminated individual is gone and actively involved in a productive job search, but what about those who remain? Are they cautiously looking over their shoulders?

The most effective measure is openly discussing the situation. Make sure people are kept informed and deal with their concerns. An internal memo may be warranted, but if possible, face-to-face private talks are best. Keep things in a positive perspective.

Termination can be healthy for an organization and for the employee. Careers are a twofold responsibility, the individual's and the employer's. If things are not working out, the employee is uncomfortable and knows things aren't right and the employer isn't getting his money's worth. If the concept is used properly, outplacement can become a management tool. If the employee isn't working out, help him or her find a more appropriate niche in the world, and create an opportunity for someone else to move up.

6. COMMONLY ASKED QUESTIONS AND HONEST ANSWERS

Q: What are the most important things to remember in terminating someone?

A: (1) Make it quick, humane, and final; (2) Avoid arguments at all costs. Get the terminated individual off the premises with as much dignity and hope for the future as possible under the circumstances.

Q: Why do you advocate terminations early in the week as opposed to the traditional Friday?

A: While nobody can point to statistics or hard reasons, people generally feel they have more energy for solving problems early in the week. If the deed is done by noon Monday or Tuesday, both the terminated individual and the organization are in a better posture to respond. The Friday afternoon firing has more potential for destructive behavior.

Q: Why a neutral office?

A: The experience of being fired is emotionally powerful. Give the individual memories of his or her office without the cloud of the firing. Separate yourself, as the executive, from your normal environment. If the last memory of your office is of the discharge, that image remains.

Q: What if the employee becomes violent or unstable?

A: Remain calm, but don't be foolhardy: if an explosion is imminent, protect yourself.

Q: Any final suggestions or comments?

A: Yes. Your attitude in using the strategies described here is probably more important than the strategies themselves.

APPENDIX A

BUILDING CONSENSUS BEFORE THE DECISION

INTERNAL MEMO (PERSONAL AND CONFIDENTIAL, TO BE OPENED ONLY BY ADDRESSEE)

TO: (Staff or Line Management)

FROM: (Personnel Administrator)

RE: Reorganization & Cutbacks ... Ideas & Decisions

In response to policy direction from _____, we are obviously going to have to cut back a substantial number of our exempt and non-exempt people during the next few months.

I have several ideas on how to proceed within a sound business, legal, and humane framework, but I would not want to make any recommendations regarding your people based on formulas (no matter how valid they might be) until you and I have reached an agreement at least in principle based on an understanding of the realities we both face.

While I am approaching the other operating decision-makers likely to be involved in this process in a similar manner, be assured that our conversations will be entirely confidential. With these thoughts in mind, I'll call your office on (within 3 working days) to see if we can arrange a brief, exploratory meeting.

I look forward to talking with you then.

Regards,

_____

CC: (Top Management)

APPENDIX B

TERMINATION CHECKLIST

Some of the points that need to be covered prior to a senior-level termination (the individual's position, age, and length of service with the organization may alter some of the checklist's questions):

1. Document the reason for termination (Cause, Job Elimination, Performance).

2. Review recent terminations. (Be particularly aware of any recent clusterings of terminations that could lead to class action lawsuits.)

3. Consider the possible selection of an outplacement consultant. (Be sensitive to professional competence in the areas of trauma support, assessment, resume development, marketing skills, and candidate reemployment.)

4. Clarify severance benefits:

   A) amount and duration of salary.

   B) health, retirement, and life insurance coverage periods.

   C) policy of travel reimbursement, include company car use and company credit card use.

   D) amount available if retirement may be considered.

   E) procedure for determining all deferred compensation.

   F) earned time off and manner of reimbursement.

   G) appropriateness of relocation allowance (was individual relocated by organization recently?)

5. Outline the classification of severance benefits (to be presented at the time of termination).

6. Determine office space location to be used during the outplacement period:

   A) in-house location.

   B) outplacement firm's space.

   C) other.

7. Specify in-house or outplacement firm's additional services and period of coverage:

   A) secretarial services, letter writing and editing.

   B) resume materials, marketing letter, and other supplies.

   C) local and long-distance telephone receipts.

8. Clarify the specific issue of providing realistic organizational references.

9. Identify who will terminate, at what time, on which day, and at which location, including the specific office.

10. Coordinate the manner in which peers and subordinates will be notified of change (who will say what, when, and where).

11. Decide what will be released to the public (see also Appendix F).

12. Decide how the individual's phone will be answered during the early days and the weeks after termination.

13. Determine who the individual may contact for questions and problem-solving assistance after termination.

14. If appropriate, arrange for the outplacement consultant to be on hand at the specific termination time and location.

15. At time of termination -- be brief, to the point, and positive (preparation is key).

16. Incorporate the significant features of this checklist in a letter given the individual at the meeting.

17. Decide in advance what to say to the employee. Get to the point quickly. Plan your opening statement.

18. Detail the reasons for the termination. Make sure you use valid reasons to support the decision. List the events leading up to the decision. Provide three key reasons and, if possible, identify one of the employee's strengths (use the "sandwich" approach).

19. Remember, your attitude is important. Make it brief, humane, and final.

APPENDIX C

SAMPLE TERMINATION LETTER

Personal and Confidential
To Be Opened Only By Addressee

Date

Name _____
Title _____
Address _____
_____

Dear _____ :

This is a difficult message to convey, but we have to terminate your employment with _____ _____ as of today.

You know about the difficult environment in which we have all been operating. While we value you as a person and as a contributor, we have no other choice. Senior management regrets but concurs.

We have exhausted our search for internal options for you and see the external marketplace as your best option – indeed, your only one.

Be assured, we are not going to leave you without support. In light of your record of service to the organization and the respect you have earned here, we are:

- Extending your full income and benefits for _____ months;
- Offering you the assistance of your professional (internal or external) Reemployment Specialist;
- Freeing you from your duties as of today so that you can devote your full energies to exploring the market and obtaining a suitable position;
- Providing good references consistent with your continuing quality relationship with us;
- Developing an option list for you regarding your retirement benefits, insurance, and other matters you will probably want to discuss with us later (see attachment no. 1)
- Keeping our doors open to you and your needs as you, hopefully, find a better opportunity for your talents.

While this may come as a shock to you, please be assured that nobody here wishes anything but good experiences for you. None of these decisions are easy for any of us.

Sincerely,

_____

cc: _____
_____

APPENDIX D

THE TERMINATION MEETING AGENDA

Be Brief, Humane, and Final. Write it down, give them copy, and do not argue (or accept arguments).

- *Who?* Immediate supervisor or person in the position next up the line. A sensitive, calm, but firm individual is best. (Someone who enjoys it is the wrong person.)
- *When?* Early in the week and early in the day are best. Avoid the 5pm -- Friday syndrome religiously.
- *What is Said?* Sandwich the bad news between items of good news, but be sure the employee understands that the decision is final.
- *Why?* Few will agree with you anyway, but they deserve something more than an ambiguous discussion of your needs and problems at this time. List your reasons clearly.
- *What next?* Have the employee talk with the reemployment advisor immediately regardless of how you think the meeting has gone.
- *How long should it take?* No more than 10 to 20 minutes.
- *Terminators's attitude?* Deal with the employee's needs. Be constructive, calm, and sensitive, but do not let the meeting last too long.

Afterward avoid mourning. Perhaps while the termination itself is being conducted, have the right individual tell affected staff in the same positive manner what is happening with their colleague.

Emphasize the potentially constructive aspects, and show a willingness to talk privately with individuals later on.

APPENDIX E

AN OPTIONAL APPROACH

Personal and Confidential
To Be Opened Only By Addressee

Date

Name _____
Title _____
Addressee _____
_____

Dear _____

As you are well aware, our economic climate is difficult, and not likely to improve during the next year or so. We are definitely going to have to reduce staff. To expand the options of good people, we are evaluating the possibility of offering senior individuals, like you, with 10 or more years of loyal service, an external option that may provide a better alternative than the existing options, which include an uncertain future, possible reduction of responsibilities and income, and almost certain involvement in a RIF.

The program we are considering includes:

- Absolute confidentiality in considering and/or entering the program;
- Professional assistance in evaluating external options before a final decision is reached;
- Full pay and benefits during the transition period (_____ weeks for each year of employment to a maximum of _____ months);
- Reemployment, pre-retirement, and/or business venture counseling for up to _____ years after your decision;
- A cash bonus after the initial transition and consulting program is completed.

If you consider this option worth exploring, please check the appropriate boxes below and return to my personal attention before (2 weeks). You do not need to identify yourself in any way, if you have questions, we will be glad to answer them.

Please feel free to call me on my private line -- 555-XXXX.

Sincerely,

_____

APPENDIX F

STATEMENT OF REFERENCE/RATIONALE

"__(Name)__ worked with me for the past four years and was primarily involved in automating the accounting and personnel divisions for our institution. __(Name)__ is extremely competent in building systems and the people that make them work and was able to accomplish a difficult transition."

"After a recent re-organization, coupled with changes within our industry, __(Name)__ felt career options were limited. __(Name)__ left our organization with my respect for his/her abilities and with our support."

An employer-provided statement, focusing on some aspect of the individual that indicates a strength, can go a long way in helping that person make an effective transition. The statement, at a minimum, should be neutral and should indicate dates of employment.

OTHER BOOKS BY CUPA

Other books published by the College and University Personnel Association include the following:

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College and University Personnel Policy Models

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